



## DEPARTMENT OF COMMERCE

### International Trade Administration

[A-570-126]

#### **Non-Refillable Steel Cylinders from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) determines that non-refillable steel cylinders (non-refillable cylinders) from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2019, through December 31, 2019.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Katherine Sliney and Joy Zhang, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2437 and (202) 482-1168, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

On October 30, 2020, Commerce published its *Preliminary Determination* in the antidumping duty investigation of non-refillable cylinders from China.<sup>1</sup> A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by parties for this final determination, may be found in the Issues

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<sup>1</sup> See *Certain Non-Refillable Steel Cylinders from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 85 FR 68852 (October 30, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

and Decision Memorandum.<sup>2</sup>

### Period of Investigation

The POI is July 1, 2019, through December 31, 2019.

### Scope of the Investigation

The products covered by this investigation are certain non-refillable steel cylinders from China. For a complete description of the scope of this investigation, *see* Appendix I.

### Scope Comments

On October 23, 2020, we issued the Preliminary Scope Decision Memorandum.<sup>3</sup> We received no scope case briefs from interested parties. Therefore, Commerce has made no changes to the scope of this investigation since the *Preliminary Determination*.

### Analysis of Comments Received

All issues raised in the case briefs and rebuttal briefs submitted by interested parties in this proceeding are discussed in the Issues and Decision Memorandum. A list of the issues raised by parties and responded to by Commerce in the Issues and Decision Memorandum is attached to this notice as Appendix II. The Issues and Decision Memorandum is a public document and is available electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

### Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of

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<sup>2</sup> See Memorandum, "Certain Non-Refillable Steel Cylinders from the People's Republic of China: Decision Memorandum for the Final Affirmative Determination of Sales at Less-Than-Fair-Value," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>3</sup> See Memorandum, "Antidumping Duty and Countervailing Duty Investigations on Certain Non-Refillable Steel Cylinders from the People's Republic of China: Preliminary Scope Decision Memorandum," dated October 23, 2020 (Preliminary Scope Decision Memorandum).

an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act).<sup>4</sup>

#### Changes Since the *Preliminary Determination*

Based on our analysis of the comments received and additional information obtained since our preliminary findings, we made certain changes to the margin calculations for Sanjiang Kai Yuan Co. Ltd (SKY) and Wuyi Xilinde Machinery Manufacture Co., Ltd. (Wuyi Xilinde) since the *Preliminary Determination*. For a discussion of these changes, *see* the Issues and Decision Memorandum.

#### Separate Rate Companies

No party commented on our preliminary separate rate determinations with respect to the mandatory respondents and the non-individually examined companies; thus, we find no basis to reconsider our preliminary determinations with respect to separate rate status, and we have continued to grant these companies separate rates in this final determination.

#### China-Wide Entity Rate and the Use of Adverse Facts Available

Commerce continues to find that the use of facts available is warranted in determining the rate of the China-wide entity, pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act. As discussed in the Issues and Decision Memorandum, Commerce finds that the use of adverse facts available (AFA) is warranted with respect to the China-wide entity because the China-wide entity did not cooperate to the best of its ability to comply with our requests for information and, accordingly, we applied adverse inferences in selecting from the facts available, pursuant to section 776(b) of the Act and 19 CFR 351.308(a).

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<sup>4</sup> See Commerce's Letters, "Non-Refillable Steel Cylinders from China: Verification Questionnaire," dated December 1, 2020; *see also* SKY's Letter, "Certain Non-Refillable Steel Cylinders from China; A-570-126; Response to Questionnaire Issued in Lieu of Verification," dated December 8, 2020; and Wuyi Xilinde's Letter, "Certain Non-Refillable Steel Cylinders from the People's Republic of China: Submission of Wuyi Xilinde Machinery Manufacture Co., Ltd.'s Verification Response," dated December 8, 2020.

For the final determination, as AFA, we are assigning the China-wide entity the highest calculated individual dumping margin calculated for SKY, 112.21 percent. Because this constitutes primary information, the statutory corroboration requirement in section 776(c) of the Act does not apply.

#### Combination Rates

Consistent with the *Preliminary Determination*, Commerce calculated exporter/ producer combination rates for the respondents that are eligible for a separate rate in this investigation.

Policy Bulletin 05.1 describes this practice.<sup>5</sup>

#### Final Determination

The estimated weighted-average dumping margins are as follows:

<b>Exporter</b>	<b>Producer</b>	<b>Estimated Weighted-Average Dumping Margin (percent)</b>	<b>Cash Deposit Rate (Adjusted for Subsidy Offsets) (percent)</b>
Sanjiang Kai Yuan Co. Ltd (SKY)	Sanjiang Kai Yuan Co. Ltd	93.09	75.84
Wuyi Xilinde Machinery Manufacture Co., Ltd. (Wuyi Xilinde)	Wuyi Xilinde Machinery Manufacture Co., Ltd.	74.33	63.56
Hangzhou JM Chemical Co., Ltd.	Hangzhou JM Chemical Co., Ltd.	79.99	67.33
Ningbo Eagle Machinery & Technology Co., Ltd.	Jinhua Sinoblue Machinery Manufacturing Co., Ltd.	79.99	69.45
Zhejiang Kin-Shine Technology Co., Ltd.	Zhejiang Kin-Shine Technology Co., Ltd.	79.99	67.33
T.T. International Co. Ltd.	Wuyi Xilinde Machinery Manufacture Co., Ltd.	79.99	67.33

<sup>5</sup> See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

ICOOL International Commerce Limited	ICOOL International Commerce Limited	79.99	67.33
China-Wide Entity		112.21	101.67

#### Disclosure

We intend to disclose to interested parties the calculations and analysis performed in this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of the publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

#### Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we intend to instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of non-refillable cylinders from China, as described in the appendix to this notice, which were entered, or withdrawn from warehouse, for consumption on or after October 30, 2020, the date of publication of the *Preliminary Determination* of this investigation in the Federal Register.

Pursuant to section 735(c)(1)(B)(ii) of the Act, upon the publication of this notice, Commerce intends to instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) The cash deposit rate for the exporter/producer combinations listed in the table above will be the rate identified in the table; (2) for all combinations of Chinese exporters/producers of subject merchandise that have not received their own separate rate above, the cash deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of subject merchandise which have not received their own separate rate above, the cash deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These suspension of liquidation instructions will remain in effect until further notice.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies determined in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes an affirmative determination for domestic subsidy pass-through or export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rates. Commerce continues to find that SKY and all non-individually-examined companies found eligible for a separate rate qualify for a double-remedy adjustment. Further, we have continued to adjust the cash deposit rates for SKY, Wuyi Xilinde, all non-individually-examined separate rate companies, and the China-wide entity for export subsidies in the companion CVD investigation by the appropriate export subsidy rates<sup>6</sup> as indicated in the above chart. However, suspension of liquidation according to provisional measures in the companion CVD case has been discontinued effective December 26, 2020; therefore, we are not instructing CBP to collect cash deposits based upon the adjusted estimated weighted-average dumping margin for those export subsidies and double remedy adjustment at this time.

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports, or sales (or the likelihood of sales) for importation of non-refillable cylinders no later than 45 days after our final determination. If the ITC determines that material injury or threat of material injury does not exist, the proceeding will be terminated, and all cash deposits will be refunded. If the ITC

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<sup>6</sup> See Memorandum, “Non-Refillable Steel Cylinders from the People’s Republic of China: Double Remedies and Export Subsidy Offset Calculation,” dated concurrently with this notice.

determines that material injury or threat of material injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise, entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding Administrative Protective Orders

This notice serves as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a violation subject to sanction.

#### Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act and 19 CFR 351.210(c).

Dated: March 15, 2021.

Christian Marsh,  
Acting Assistant Secretary for Antidumping and Countervailing Duty Operations.

## **Appendix I**

### **Scope of the Investigation**

The merchandise covered by this investigation is certain seamed (welded or brazed), non-refillable steel cylinders meeting the requirements of, or produced to meet the requirements of, U.S. Department of Transportation (USDOT) Specification 39, TransportCanada Specification 39M, or United Nations pressure receptacle standard ISO 11118 and otherwise meeting the description provided below (non-refillable steel cylinders). The subject non-refillable steel cylinders are portable and range from 300-cubic inch (4.9 liter) water capacity to 1,526-cubic inch (25 liter) water capacity. Subject non-refillable steel cylinders may be imported with or without a valve and/or pressure release device and unfilled at the time of importation. Non-refillable steel cylinders filled with pressurized air otherwise meeting the physical description above are covered by this investigation.

Specifically excluded are seamless non-refillable steel cylinders.

The merchandise subject to this investigation is properly classified under statistical reporting numbers 7311.00.0060 and 7311.00.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). The merchandise may also enter under HTSUS statistical reporting numbers 7310.29.0025 and 7310.29.0050. Although the HTSUS statistical reporting numbers are provided for convenience and customs purposes, the written description of the merchandise is dispositive.



## Appendix II

### List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Scope of Investigation
- V. China-Wide Rate
- VI. Changes Since the *Preliminary Determination*
- VII. Discussion of the Issues
  - Comment 1: Treatment of Irrecoverable Value-Added Taxes (VAT)
  - Comment 2: Selection of Primary Surrogate Country
  - Comment 3: Use of Siraga's Financial Statement for Surrogate Financial Ratios
  - Comment 4: Use of a Simple Average or Weighted Average for Surrogate Financial Ratio
  - Comment 5: Treatment of Overhead Items
  - Comment 6: Carton Inputs as Packing Expense or Packaging Cost
  - Comment 7: Adhesive Tape, Hot Glue, and Iron Wire Inputs as Packing Expense or Packaging Cost
  - Comment 8: Factor of Production for Code-Spurting Ink
  - Comment 9: Selection of the Port of Haimen or Ningbo as the Closest Port
  - Comment 10: Treatment of Argon and Carbon Dioxide Welding Materials
  - Comment 11: Correction of Movement Expenses
  - Comment 12: Paint Factor of Production for Paint Dissolved in Organic Solvent
  - Comment 13: Shipment Date Adjustment
  - Comment 14: Separate Rate Request
- VIII. Recommendation

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